

1 A bill to be entitled
2 An act relating to independent hospital districts;
3 creating s. 189.0762, F.S.; providing definitions;
4 providing requirements for the conversion of an
5 independent hospital district to a nonprofit entity;
6 requiring a certain evaluation by an independent
7 entity; providing qualifications for such independent
8 entity; providing for notice of public meetings and
9 publication of certain documents; requiring that the
10 evaluation of the conversion be completed and a final
11 report presented to the governing body of the district
12 within a specified timeframe; requiring that the final
13 report be published on the district's website;
14 requiring certification of the final report; requiring
15 the governing body of the district to determine by a
16 supermajority vote whether conversion is in the best
17 interests of its residents within a specified
18 timeframe; providing for negotiation of an agreement
19 between each affected county and the independent
20 hospital district; providing requirements for such
21 agreement; providing for disposition of all assets and
22 liabilities of the district; prohibiting members of
23 the board of commissioners for an affected county from
24 serving on the board of the succeeding nonprofit
25 entity; authorizing members of the governing body of

26 | the independent hospital district to serve on the
 27 | board of the succeeding nonprofit entity; requiring
 28 | disclosure of all conflicts of interest; requiring
 29 | certain documents to be published on the websites of
 30 | the district and each county that is a party to the
 31 | agreement for a specified timeframe; authorizing the
 32 | governing body of the independent hospital district to
 33 | approve by supermajority vote the conversion of the
 34 | district to a nonprofit entity; requiring each board
 35 | of commissioners for each affected county to approve
 36 | the agreement at a public meeting; requiring a
 37 | referendum under certain circumstances; requiring the
 38 | independent hospital district to file a copy of the
 39 | agreement with and provide certain notification to the
 40 | Department of Economic Opportunity within a specified
 41 | timeframe; providing for dissolution of the district
 42 | within a specified timeframe; providing an effective
 43 | date.

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 45 | Be It Enacted by the Legislature of the State of Florida:

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 47 | Section 1. Section 189.0762, Florida Statutes, is created
 48 | to read:

49 | 189.0762 Conversion of an independent hospital district to
 50 | a nonprofit entity.-

51 (1) For purposes of this section, the term:

52 (a) "Independent hospital district" means an entity
53 created pursuant to a special act which operates one or more
54 hospitals licensed under chapter 395 and is governed by the
55 governing body of a special district or by the board of trustees
56 of a public health trust created under s. 154.07.

57 (b) "Nonprofit entity" means a Florida not-for-profit
58 corporation operating under chapter 617.

59 (2) The governing body of an independent hospital district
60 may elect, by a majority vote plus one, to commence an
61 evaluation of the benefits to the residents of the district of
62 converting the independent hospital district to a nonprofit
63 entity if the governing body of the district and each county
64 within which any part of the district's boundaries are located
65 execute an agreement that meets the requirements of subsection
66 (5). In evaluating the benefits of converting the independent
67 hospital district to a nonprofit entity, the governing body of
68 the district must:

69 (a) Publish notice of and conduct a public meeting in
70 accordance with s. 189.015(1) to provide the residents of the
71 district with the opportunity to publicly testify regarding the
72 conversion. The public hearing must be held at a meeting other
73 than a regularly noticed meeting or an emergency meeting of the
74 independent hospital district.

75 (b) Contract with an independent entity that has at least

76 5 years of experience conducting comparable evaluations of
77 hospital organizations similar in size and function to the
78 independent hospital district to conduct the evaluation
79 according to applicable industry best practices. The independent
80 entity may not have any affiliation with or financial
81 involvement in the district or with any member of the governing
82 body of the district.

83 (c) Publish all documents considered by the governing body
84 of the independent hospital district on the website of the
85 district.

86 (3) The evaluation must be completed and a final report
87 presented to the governing body of the independent hospital
88 district no later than 180 days after the date on which the vote
89 is taken by the governing body of the district to evaluate the
90 conversion. The final report shall be published on the
91 district's website. The final report must include a statement
92 signed by the presiding officer of the governing board of the
93 independent hospital district and the chief executive officer of
94 the independent entity conducting the evaluation that, based on
95 each person's reasonable knowledge and belief, the contents and
96 conclusions of the evaluation are true and correct.

97 (4) No later than 120 days after the date on which the
98 governing body of the independent hospital district receives the
99 final report, the governing body of the district must determine,
100 by a majority vote plus one, whether the interests of the

101 residents of the district are best served by converting the
102 independent hospital district to a nonprofit entity. If the
103 governing body of the district determines conversion is in the
104 best interests of its residents, the independent hospital
105 district must negotiate and complete an agreement with the board
106 of county commissioners for each county in which any part of the
107 district's boundaries are located before conversion may occur.

108 (5) An agreement between the governing body of the
109 independent hospital district and each county in which any part
110 of the district's boundaries are located must be completed no
111 later than 120 days after the date on which the public meeting
112 is held to determine if conversion of the district is in the
113 best interests of its residents. The agreement must be in
114 writing, dispose of all assets and liabilities of the
115 independent hospital district, and include:

116 (a) A description of each asset that will be transferred
117 to each county.

118 (b) A description of each liability that will be
119 transferred to each county.

120 (c) The estimated total value of the assets that will be
121 transferred to each county.

122 (d) The estimated total value of the liabilities that will
123 be transferred to each county.

124 (e) If the agreement is with more than one county, a
125 description of the methodology used to allocate the assets and

126 liabilities of the district between the counties.

127 (f) A description of all assets that will be transferred
128 to the succeeding nonprofit entity.

129 (g) A description of all liabilities that will be assumed
130 by the succeeding nonprofit entity.

131 (h) The estimated total value of the assets that will be
132 transferred to the succeeding nonprofit entity.

133 (i) The total value of the liabilities to be assumed by
134 the succeeding nonprofit entity.

135 (j) If any debts remain, how those debts will be resolved.

136 (k) An enforceable commitment that programs and services
137 provided by the district will continue to be provided to all
138 residents of the former district in perpetuity so long as the
139 succeeding nonprofit entity is in operation or, if otherwise
140 agreed to by the independent hospital district and each county
141 that is a party to the agreement, until the succeeding nonprofit
142 entity has otherwise met all obligations set forth in the
143 agreement.

144 (l) A provision transferring the rights and obligations as
145 agreed to by the governing body of the independent hospital
146 district and each county that is a party to the agreement to the
147 succeeding nonprofit entity.

148 (m) Any other terms mutually agreed to by the governing
149 body of the independent hospital district and each county that
150 is a party to the agreement.

151 (6) (a) A member of the board of commissioners for any
152 county that is a party to the agreement may not serve on the
153 board of the succeeding nonprofit entity.

154 (b) A member of the governing body of the independent
155 hospital district may serve on the board of the succeeding
156 nonprofit entity.

157 (7) The members of the governing body of the independent
158 hospital district and the board of commissioners for each county
159 that is a party to the agreement must disclose all conflicts of
160 interest as required by s. 112.313, including, but not limited
161 to:

162 (a) Whether the conversion of the independent hospital
163 district will result in a special private gain or loss to any
164 member of the governing body of the independent hospital
165 district or boards of commissioners for the affected counties or
166 to any senior executive of the independent hospital district.

167 (b) If any member of the governing body of the independent
168 hospital district will serve on the board of the succeeding
169 nonprofit entity. Such intent to serve on the board of the
170 succeeding nonprofit entity does not disqualify any member from
171 voting on the proposed conversion.

172 (8) The evaluation, agreements, disclosures, and any other
173 supporting documents related to the conversion of the
174 independent hospital district must be published on the
175 district's website and the website of each county that is a

176 party to the agreement under subsection (5) for 20 days before
177 the governing body of the independent hospital district and the
178 board of commissioners for each county that is a party to the
179 agreement may vote on the proposed conversion.

180 (9) (a) In a public meeting noticed as required pursuant to
181 subsection (2), the governing body of the independent hospital
182 district may approve, by a majority vote plus one, the
183 conversion of the district to a nonprofit entity and any
184 agreements related to the conversion.

185 (b) The agreement negotiated under subsection (5) must be
186 approved by each board of commissioners for each affected county
187 in a properly noticed public meeting.

188 (c) If the governing body of the independent hospital
189 district and the board of commissioners for each affected county
190 approve the proposed agreement, and the district exercises ad
191 valorem taxing powers, a referendum of the qualified electors of
192 the district must be conducted at the next general election as
193 required pursuant to s. 100.031. A referendum is not required
194 for independent hospital districts that do not exercise ad
195 valorem taxing powers.

196 (d) If approved by the qualified electors of the
197 independent hospital district voting in a referendum conducted
198 in accordance with paragraph (c), the agreement between the
199 independent hospital district and the board of commissioners for
200 each affected county shall be in full force and effect. The

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201 independent hospital district shall file a copy of the agreement
202 with the department no later than 10 days after the date on
203 which the referendum approving the agreement and conversion
204 occurs.

205 (10) No later than 30 days after the complete transfer of
206 assets and liabilities as provided in the agreement under
207 subsection (5), the independent hospital district shall notify
208 the department. The district shall be dissolved automatically
209 upon receipt of the notice by the department.

210 (11) If the governing body of the independent hospital
211 district and the board of commissioners for each county that is
212 a party to the agreement are unable to reach an agreement that
213 would result in the conversion of the independent hospital
214 district to a nonprofit entity, the district shall continue in
215 existence.

216 Section 2. This act shall take effect July 1, 2022.